The Public Service Group Insurance Fund

Benefits Summary, Auditor's Report and Financial Statements

For the Year Ended April 30, 2009

Public Service Group Insurance Fund
Benefits Summary

The Public Servants Insurance Act provides for the establishment of the Public Service Group Insurance Fund (PSGIF) which is administered by the Civil Service Superannuation Board. The PSGIF includes three plans to provide life insurance, accidental death and disablement insurance and dependents insurance for eligible employees and retired employees (and their eligible dependents) of the Government of Manitoba and most of its Agencies and Boards.

Each of the three Plans is self-funding. Employee, retired employee and employer contributions along with investment income finance all death and disablement claims and administration costs. On the termination of the Policy, payment would be made by the Province of Manitoba to the extent that reserves are insufficient to cover any Policy deficit.

Each of the three Plans is summarized below:

a) The Employees' Group Life Insurance Plan (established May 1, 1960)

Most employees join the Plan at the same time they are enrolled in the Civil Service Superannuation Fund Pension Plan. Employees are automatically covered for life insurance coverage of five times annual salary, but may select a lower multiple. The maximum coverage under the plan is $1,000,000. For employees age 65 or more, insurance reduces in five year intervals based on age until age 75, at which time the employee is insured for $4,500.

Reduced life insurance automatically continues following retirement for eligible retired employees, reducing in five year intervals until age 73, at which time the pensioner is insured for $4,500. As an alternative, retired employees can choose a $4,500 paid-up policy at any time prior to age 73.

Eligible employees who retire or terminate employment due to ill health or injury may apply to continue group life (disability) insurance without making further contributions until age 65, at which time retirement insurance options are available.

b) The Accidental Death and Disablement Plan (established July 1, 1974)

An eligible employee who is insured under the Employees' Group Life Insurance Plan is automatically enrolled in the Accidental Death and Disablement Plan. This Plan does not insure retired employees.

The amount of accidental death and disablement insurance is based on the employee's annual salary (maximum of $25,000) and insurance class (to a maximum of class three) under the Employees' Group Life Insurance Plan. An employee's maximum insurance is therefore $75,000.

c) The Dependents' Group Life Insurance Plan (established May 1, 1962)

An eligible employee who is insured under the Employees' Group Life Insurance Plan may choose insurance coverage on his/her eligible dependents in the Dependents' Group Life Insurance Plan. The employee elects the amount of insurance by choosing from one unit to four units of insurance. An employee with four units of insurance, whose spouse is under age 70, would have the maximum $70,000 of insurance on his/her spouse and $14,000 of insurance on each child.

Eligible retired employees may choose to continue reduced insurance on their dependents following retirement.

Eligible employees who are granted a disability benefit under the Employees' Group Life Insurance Plan also continue to have dependents' group life (disability) insurance at no cost until age 65, when retirement insurance options are available.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Public Service Group Insurance Fund (the "Fund") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles, as stated in the notes to the financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to October 20, 2009.

The firm of Ellement and Ellement has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual financial statements.

The Auditor General performs an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditors' Report attached to the financial statements.

Ultimate responsibility for the financial statements rests with the members of the Civil Service Superannuation Board. The Board established a Finance and Audit Committee to meet with Board staff and representatives of the Auditor General. It is the responsibility of the Finance and Audit Committee to review the financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the financial statements. The auditors have full and unrestricted access to the Board and to the Finance and Audit Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,

Bruce Schroeder
General Manager

Allen Borle
Director, Finance

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To The Legislative Assembly of Manitoba
To the Board of Directors of the Public Service Group Insurance Fund

We have audited the statement of financial position of the Public Service Group Insurance Fund as at April 30, 2009 and the statements of changes in surplus (deficit) for benefits for the employees' group life insurance plan, the accidental death and disablement plan and the dependents' group life insurance plan for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Public Service Group Insurance Fund as at April 30, 2009 and the changes in surplus (deficit) for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
October 20, 2009

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

Exhibit A

THE PUBLIC SERVICE GROUP INSURANCE FUND
Statement of Financial Position
As at April 30, 2009

	2009	2008
ASSETS		
Investments, Schedule 1, Note 3(b)	$ 108,218,316	$ 135,233,006
Accrued dividends and interest	692,707	670,824
Due (to) from The Great-West Life Assurance Company	(933,136)	(2,351,936)
Contributions receivable	35,771	70,022
Total assets	**108,013,658**	**133,621,916**
LIABILITIES		
Provision for future claims/liabilities, Schedule 2, Note 7		
Employees' Group Life Insurance Plan	109,319,099	119,519,646
Accidental Death and Disablement Plan	715,002	4,436,490
Dependents' Group Life Insurance Plan	4,589,105	5,033,553
Contributions received in advance	545,166	413,779
Accounts payable	103,546	49,194
Total liabilities	**115,271,918**	**129,452,662**
SURPLUS (DEFICIT)		
Employees' Group Life Insurance Plan, Exhibit B	(11,394,881)	1,141,470
Accidental Death and Disablement Plan, Exhibit C	3,474,388	719,026
Dependents' Group Life Insurance Plan, Exhibit D	662,233	2,308,758
Total fund balances	**$ (7,258,260)**	**$ 4,169,254**

Approved on behalf of the Board:

Chairperson of the Board

Chairperson, Finance and Audit Committee

Exhibit B

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employees' Group Life Insurance Plan
Statement of Changes in Surplus (Deficit)
For the year ended April 30, 2009

	2009	2008
Increases		
Contributions		
Employees	$ 10,630,868	$ 10,024,229
Employers	3,388,072	3,202,535
Retired members	1,410,708	1,287,793
Total contributions	15,429,648	14,514,557
Investment income		
Short term	277,810	285,080
Bond pooled fund	1,691,007	1,837,702
Equity pooled funds	1,924,474	2,093,795
Total investment income	3,893,291	4,216,577
Total increases	**19,322,939**	**18,731,134**
Decreases		
Current period change in fair value of investments, Note 6	23,883,184	6,340,294
Death claims, Note 3(f)	17,018,308	18,436,235
Change in actuarial provisions, Schedule 2, Note 3(d)	(10,200,547)	2,934,322
The Civil Service Superannuation Board		
Administration fee, Note 5	153,670	113,520
Investment management fee, Note 5	270,301	215,450
Professional fees	39,622	44,425
Great-West Life expenses		
Premium taxes	359,217	355,353
Administrative fees	126,977	117,266
Conversion charges	39,260	67,430
Stop loss charges	116,920	70,461
Claims charge	40,300	38,700
Other	12,078	15,210
Total decreases	**31,859,290**	**28,748,666**
Net decrease during the year	**$ (12,536,351)**	**$ (10,017,532)**
Surplus balance, beginning of year	$ 1,141,470	$ 11,159,002
Net decrease during the year	(12,536,351)	(10,017,532)
(Deficit) surplus balance, end of year, Exhibit A	**$ (11,394,881)**	**$ 1,141,470**

Exhibit C

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan
Statement of Changes in Surplus (Deficit)
For the year ended April 30, 2009

	2009	2008
Increases		
Contributions, employers	$ 698,223	$ 674,901
Investment income		
Short term	12,444	13,565
Bond pooled fund	110,473	113,476
Equity pooled funds	124,561	128,361
Total investment income	247,478	255,402
Total increases	**945,701**	**930,303**
Decreases		
Current period change in fair value of investments, Note 6	1,582,384	369,125
Death claims, Note 3(f)	267,756	250,000
Change in actuarial provisions, Schedule 2, Note 3(d)	(3,721,488)	2,868,826
The Civil Service Superannuation Board		
Administration fee, Note 5	30,641	6,931
Investment management fee, Note 5	17,273	13,134
Professional fees	2,598	2,716
Great-West Life expenses		
Premium taxes	5,116	6,769
Administrative fees	3,919	3,545
Claims charge	1,845	1,476
Other	295	619
Total decreases	**(1,809,661)**	**3,523,141**
Net increase (decrease) during the year	**$ 2,755,362**	**$ (2,592,838)**
Surplus balance, beginning of year	$ 719,026	$ 3,311,864
Net increase (decrease) during the year	2,755,362	(2,592,838)
(Deficit) surplus balance, end of year, Exhibit A	**$ 3,474,388**	**$ 719,026**

Exhibit D

THE PUBLIC SERVICE GROUP INSURANCE FUND
Dependents' Group Life Insurance Plan
Statement of Changes in Surplus
For the year ended April 30, 2009

	2009	2008
Increases		
Contributions		
Employees	$ 1,833,669	$ 1,839,818
Retired members	340,668	319,892
Total contributions	2,174,337	2,159,710
Investment income		
Short term	73,604	42,708
Bond pooled fund	145,954	147,991
Equity pooled funds	164,260	167,034
Total investment income	383,818	357,733
Total increases	**2,558,155**	**2,517,443**
Decreases		
Current period change in fair value of investments, Note 6	2,098,406	473,833
Death claims, Note 3(f)	2,459,250	2,648,750
Change in actuarial provisions, Schedule 2, Note 3(d)	(444,448)	(175,615)
The Civil Service Superannuation Board		
Administration fee, Note 5	10,258	9,012
Investment management fee, Note 5	22,709	17,051
Professional fees	3,437	3,532
Great-West Life expenses		
Premium taxes	37,728	36,976
Administrative fees	12,651	12,202
Conversion charges	(350)	(700)
Claims charge	4,650	5,110
Other	389	2,598
Total decreases	**4,204,680**	**3,032,749**
Net decrease during the year	**$ (1,646,525)**	**$ (515,306)**
Surplus balance, beginning of year	$ 2,308,758	$ 2,824,064
Net decrease during the year	(1,646,525)	(515,306)
Surplus balance, end of year , Exhibit A	**$ 662,233**	**$ 2,308,758**

THE PUBLIC SERVICE GROUP INSURANCE FUND
Notes to Financial Statements
for the year ended April 30, 2009

1. Nature of Operations

The Public Servants Insurance Act (the Act) provides for the establishment of the Public Service Group Insurance Fund (the Fund). The Civil Service Superannuation Board is responsible for the administration of the Fund and the group insurance policies agreed to by representatives of the employees and employers participating in the Fund as set out in insurance policies between the Government of the Province of Manitoba and the insurance company. The Fund's operations are reported separately for:

The Employees' Group Life Insurance Plan,
The Accidental Death and Disablement Plan, and
The Dependents' Group Life Insurance Plan.

This separate reporting is consistent with the financial arrangements with the insurance company.

The Fund's fiscal year coincides with the insurance policy year for each Plan.

2. Change in Accounting Policy

(a) Capital Disclosures

Effective May 1, 2008, the Fund adopted CICA Section 1535 *Capital Disclosures* which establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose its objectives, policies and processes for managing capital, a summary of quantitative data about what it manages as capital and whether it complied with any externally-imposed capital requirements to which it is subject and if not, the consequences of such non-compliance. This new section would require additional disclosure in the financial statements. Information on these requirements is to be disclosed to enable users of the financial statements to evaluate the effect of these requirements (see Note 3 (i)).

(b) Disclosure and Presentation of Financial Instruments

On May 1, 2008, the Fund adopted two new accounting standards: Handbook Section 3862, *Financial Instruments – Disclosures*, and Handbook Section 3863, *Financial Instruments - Presentation*. Sections 3862 and 3863 replace Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The revised and enhanced disclosures with respect to these standards are included in Note 4 to the financial statements.

3. Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Fund are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian generally accepted accounting principles.

(b) Investments

Investments are allocated to each Plan based on monthly unit values, which are based on contributions and withdrawals. Investments are recorded at fair value on a trade date basis. Fair values of investments are determined as follows:

(i) Short term investments are valued at market, which approximates cost.
(ii) Bond pooled fund is valued at year end market prices determined by independent sources.
(iii) Equity pooled funds are valued at year end market prices as listed on the appropriate stock exchange.

(c) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year end and the resulting change is included in the change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income at the translated amounts.

(d) Provision for Future Claims/Liabilities

A provision for future claims/liabilities for each Plan has been established using the latest triennial actuarial valuation report of the Fund as at December 31, 2006. This provision has been projected by Ellement and Ellement, consulting actuaries, to April 30, 2009.

(e) Investment Income

Investment income is allocated to each Plan based on monthly unit values, which are based on contributions and withdrawals.

(f) Death Claims

Death claims include current and prior year death and disablement claims paid up to June 1 following the year-end with date of deaths up to and including the current year-end.

(g) Expenses

Direct costs are charged to each Plan. The Civil Service Superannuation Board administration fee, investment management fee, and other indirect administration costs are prorated between Plans based on monthly unit values, which are based on contributions and withdrawals.

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from those estimates.

(i) Capital Disclosures

In the context of the Fund, capital is defined as the net assets available for benefits. Externally-imposed capital requirements relate to the administration of the Fund in accordance with the terms of the Fund, The Public Servants Insurance Act of the Province of Manitoba and the provisions of the Income Tax Act (Canada). The Fund has developed appropriate risk management strategies, as described in Note 4, to preserve the net assets available for pension benefits. The Fund has complied with externally-imposed capital requirements during the year.

4. Risk Management

Fair values of investments are exposed to interest rate risk, credit risk, currency risk, market risk and liquidity risk.

(a) Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by short term changes in nominal interest rates and equity markets.

Insurance liabilities are exposed to the long term expectation of rate of return on investments as well as expectations of inflation and salary escalation. The Fund's primary exposure is to a decline in the long term real rate of return which may result in higher contribution rates required to meet its obligations.

The Fund's exposure to interest rate risk is concentrated in its investments in the bond pooled funds and government and corporate short term investments. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for bonds and other fixed income investments are set and monitored by the Fund's Investment Committee.

The Fund has invested approximately 44% (2008 – 35%) of its assets in fixed income securities as at April 30, 2009, which generated a rate of return of –0.55% (2008 - +0.80%). The returns on fixed income securities are particularly sensitive to changes in nominal interest rates. As at April 30, 2009, if prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, fixed income investments would likely have decreased or increased respectively by approximately $ 3,060,000. The Fund's interest rate sensitivity was determined based on portfolio weighted duration.

(b) Credit Risk

Credit risk is the risk of loss from the failure of a counterparty to discharge its contractual obligations. At April 30, 2009, the Fund's maximum credit risk exposure relates to bonds and debentures, short term investments and cash totalling $47,874,196 (2008 - $47,097,175), contributions receivable of $35,771 (2008 - $70,022) and accrued interest of $508,807 (2008 - $497,231) totalling $48,418,774 (2008 - $47,664,428). The Fund's Investment Committee limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. In the case of bonds and debentures, 95% must be rated single A or higher.

All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation.

The breakdown of the Fund's bond portfolio by credit rating from various rating agencies is presented below:

Credit Rating	2009 Fair Value		2008 Fair Value	
AAA	$ 19,668,949	51.0%	$ 20,600,703	46.6%
AA	7,783,281	20.2	11,128,421	25.2
A	10,156,308	26.4	9,725,582	22.0
BBB and lower	916,568	2.4	2,759,206	6.2
	38,525,105	100.0%	44,213,912	100.0%
Cash and short-term	329,330		275,947	
	$ 38,854,436		$ 44,489,859	

Credit risk associated with contributions receivable is minimized due to their nature. Contributions are collected from participating members through the payroll process. No provision for doubtful contributions receivable has been recorded in either 2009 or 2008.

(c) Currency Risk

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The Fund does, from time to time, hedge some of this exposure. As at April 30, 2009, external fund managers had entered into no forward foreign exchange contracts (2008 - $Nil) on behalf of the Fund.

The Fund's exposure in cash and investments to foreign currencies to Canadian dollars is shown below:

As at April 30, 2009	Actual Currency Exposure	Percentage
Canadian	$ 75,713,984	70.0%
US dollar	18,991,752	17.5
Japanese yen	2,587,970	2.4
Hong Kong dollar	2,346,615	2.2
Euro	1,082,254	1.0
Pound sterling	1,077,233	1.0
Australian dollar	1,007,932	0.9
South Korean won	851,851	0.8
Other currencies	4,558,725	4.2
	$ 108,218,316	100.0%

A 10 percent increase or decrease in exchange rates, with all other variables held constant, would result in a change in unrealized gains (losses) of $3,250,000.

(d) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of a change in market conditions, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund's investments in equities are sensitive to market fluctuations. To assist in mitigating the impact of market risk, the Fund's Investment Committee has established appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks which they monitor on a regular basis. A decline of 10 percent in equity values, with all other variables held constant, will impact the Fund's equity investments by an approximate loss of $6,034,000.

(e) Liquidity Risk

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or other securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active public market and can be readily disposed. Although market events could lead to some investments becoming illiquid, the diversity of the Fund's portfolio and current contribution levels should ensure that liquidity is available for benefit payments.

The term to maturity and related market values of fixed income investments are as follows:

Term to Maturity	2009	2008
Less than one year	$ 8,775,143	$ 2,144,734
One to five years	11,285,283	11,646,392
Over five years	27,813,770	33,306,049
Total fixed income investments	$ 47,874,196	$ 47,097,175

(f) Fair Value

The fair value of the financial assets and liabilities of the Fund approximates their carrying value due to their short term nature, with the exception of investments which are stated at market value (see Schedule 1).

5. Services provided by The Civil Service Superannuation Board

The Public Service Group Insurance Fund entered into agreements with The Civil Service Superannuation Board to provide certain administrative and investment management services to the Fund. These services were received in terms and conditions comparable to market terms and conditions. For the year ended April 30, 2009, the cost of these services amounted to $504,853 (2008 - $375,098).

6. Current Period Change in Fair Value of Investments

	2009	2008
Net realized gain (loss) on the sale of investments	$ (3,462,404)	$ 4,252,538
Net unrealized market loss	(24,101,570)	(11,435,790)
	$ (27,563,974)	$ (7,183,252)

7. Actuarial Valuations

In accordance with the Act, an actuarial report is required at least once every three years. The last triennial actuarial valuation report on the three plans administered by the Fund was prepared by Ellement and Ellement, consulting actuaries, as at December 31, 2006.

The actuarial report contemplates that the Fund and each Plan will continue to be in existence and that employees and dependents will continue to participate in these Plans on the completion of eligibility requirements. Significant long-term actuarial assumptions used in determining the provision for future claims/liabilities were:

Annual rate of return	6.00%
Salary escalation rates:	
(i) general increases	
a) inflation component	2.50%
b) productivity component	0.75%
(ii) service, merit and promotional increases	*

* the rates used vary by gender and age grouping from a high of 3.00% to a low of 0%

The projection of the valuation results to April 30, 2009 indicate, after smoothing the assets consistent with prior practice, the following surplus/(deficit):

	April 30, 2009 Exhibit A	December 31, 2006 Valuation	April 30, 2008 Exhibit A
Employees' Group Life Insurance Plan	$ (11,394,881)	$10,759,649	$ 1,141,470
Accidental Death & Disablement Plan	3,474,388	3,062,981	719,026
Dependents' Group Life Insurance Plan	662,233	3,601,090	2,308,758

In the absence of the asset smoothing reserves:

(i) The Employees' Group Life Insurance Plan deficit increases from ($11,394,881) to ($21,187,303).
(ii) The Accidental Death & Disablement Plan surplus decreases from $3,474,388 to $3,055,449.
(iii) The Dependents' Group Life Insurance Plan surplus decreases from $662,233 to $137,099.

8. Termination of Policies

Upon termination of the policy in place for the Employees' Group Life Insurance Plan, the Accidental Death and Disablement Plan or the Dependents' Group Life Insurance Plan, the insurer will remit any net policy surplus as a final refund to the Fund for the applicable Plan. If there is a net policy deficit, a payment will be made to the insurer from the appropriate Plan's surplus funds. To the extent that the appropriate Plan's surplus funds are not sufficient to cover any net policy deficit, payment to the insurer will be made by the Minister of Finance.

9. Transfer of Employer and Employee Actuarial Surpluses

In 1996, the Government of the Province of Manitoba passed an amendment to the Act permitting a payment of an actuarial surplus in the Fund to be made to the Minister of Finance on behalf of the employers. The payment amount requires the actuary's approval and negotiated agreement between the employer and employees.

Based on actuarially determined employer surplus amounts as at December 31, 2003, agreements between the employers and their employees' unions were reached, and employer surplus payments were made as follows:

	Employees' Group Life Insurance Plan	Accidental Death & Disablement Plan	Total
Manitoba Hydro – 2008 payment	$ 2,368,275	$ 1,712,266	$ 4,080,541
Manitoba Government Employees' Union – 2006 payment	34,232	25,336	59,568
The Province of Manitoba – 2005 payment	7,050,920	4,731,983	11,782,903
Manitoba Public Insurance Corporation – 2005 payment	355,542	257,518	613,060
The Civil Service Superannuation Board – 2004 payment	14,581	11,119	25,700
Total Transfer of Employer Actuarial Surplus	$ 9,823,550	$ 6,738,222	$ 16,561,772

Also, during the 2005 fiscal year the Employer Pension and Insurance Advisory Committee and the Employee Superannuation and Insurance Liaison Committee signed an agreement to distribute a portion of the employee Actuarial Surplus as at December 31, 2003 in the Employees' Group Life Insurance Plan to eligible employees and pensioners. The total employee Actuarial Surplus distribution of $5,098,173 was paid in full during 2006.

In 2007, the Fund received $1,005 of employee Actuarial Surplus distribution payments back from employers, as the employees were not eligible or the deceased pensioners' estates were not found. As well, the employers were reimbursed $146,337 for employer payroll costs (Unemployment Insurance, Canadian Pension Plan, and Health and Education Tax) that directly related to the distribution of the employee Actuarial Surplus distribution.

10. Status of Fund

The Government of the Province of Manitoba and Canada Revenue Agency (CRA) have had discussions concerning the status of the Fund for income tax purposes. CRA has now decided to defer those discussions until they complete their review of funded group life insurance plans and the employee benefit plan legislation.

Schedule 1

THE PUBLIC SERVICE GROUP INSURANCE FUND
Summary of Investments
As at April 30, 2009

	2009	2008
Fixed Income Investments		
Cash and short term		
Government and corporations	$ 9,019,760	$ 2,607,316
Bond pooled fund		
Domestic	38,854,436	44,489,859
Total fixed income investments	**47,874,196**	**47,097,175**
Equity Investments		
Pooled funds		
Domestic	29,974,087	42,731,231
Foreign	30,370,033	45,404,600
Total equity investments	**60,344,120**	**88,135,831**
Investments, Exhibit A	**$ 108,218,316**	**$ 135,233,006**

THE PUBLIC SERVICE GROUP INSURANCE FUND
Schedule of Changes in Provision for Future Claims/Liabilities
As at April 30, 2009

	2009	2008
Employees' Group Life Insurance Plan		
Balance beginning of year	$ 119,519,646	$ 118,953,599
Transfer of actuarial surplus payments to employers		
Various employers, Note 9		(2,368,275)
	119,519,646	116,585,324
Change in actuarial provisions, Note 3(d)		
Net future claims/liabilities (released)	1,642,972	(1,549,055)
Interest accrued	6,665,206	6,876,844
Changes in actuarial reserves	(18,508,725)	(2,393,467)
Subtotal, Exhibit B	(10,200,547)	2,934,322
Provision for future claims/liabilities, Exhibit A	**$ 109,319,099**	**$ 119,519,646**
Accidental Death and Disablement Plan		
Balance beginning of year	$ 4,436,490	$ 3,279,930
Transfer of actuarial surplus payments to employers		
Various employers, Note 9		(1,712,266)
	4,436,490	1,567,664
Change in actuarial provisions, Note 3(d)		
Net future claims/liabilities (released)	(150,043)	(209,123)
Interest accrued	150,043	174,878
Changes in actuarial reserves	(3,721,488)	2,903,071
Subtotal, Exhibit C	(3,721,488)	2,868,826
Provision for future claims/liabilities, Exhibit A	**$ 715,002**	**$ 4,436,490**
Dependents' Group Life Insurance Plan		
Balance beginning of year	$ 5,033,553	$ 5,209,168
Change in actuarial provisions, Note 3(d)		
Net future claims/liabilities (released)	(53,662)	(586,493)
Interest accrued	280,272	298,332
Changes in actuarial reserves	(671,058)	112,546
Subtotal, Exhibit D	(444,448)	(175,615)
Provision for future claims/liabilities, Exhibit A	**$ 4,589,105**	**$ 5,033,553**